



Department of Finance
Canada

Ministère des Finances
Canada

The Fiscal Monitor

A publication of the Department of Finance

Financial Results for August 2025

Canada

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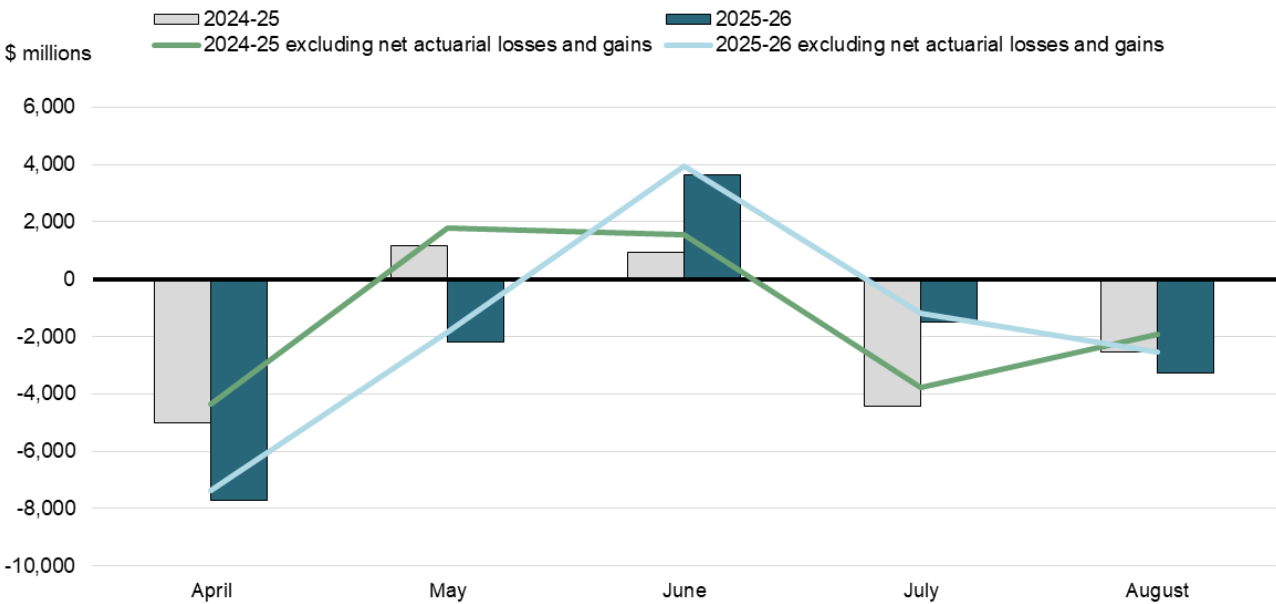
Highlights

August 2025

There was a budgetary deficit of \$3.3 billion in August 2025, compared to a deficit of \$2.5 billion in August 2024. The budgetary deficit before net actuarial losses and gains was \$2.5 billion, compared to a deficit of \$1.9 billion in the same period of 2024-25. The budgetary balance before net actuarial losses and gains is intended to supplement the traditional budgetary balance and improve the transparency of the government’s financial reporting by isolating the impact of the amortization of net actuarial losses and gains arising from the revaluation of the government’s pension and other employee future benefit plans.

Chart 1

Monthly Budgetary Balance and Budgetary Balance Excluding Net Actuarial Losses and Gains



Compared to August 2024:

- Revenues increased by \$2.3 billion, or 6.5 per cent, largely reflecting higher corporate and personal income tax revenue, and higher customs import duties.
- Program expenses excluding net actuarial losses were up \$3.0 billion, or 9.1 per cent, reflecting higher direct program expenses, major transfers to persons, and major transfers to provinces, territories and municipalities.
- Public debt charges were down \$0.1 billion, or 1.5 per cent, as the impact of lower interest rates on treasury bills and lower net interest on cross-currency swap transactions were largely offset by an increase in the stock and average effective interest rate of marketable bonds.
- Net actuarial losses were up \$0.1 billion, or 16.7 per cent, reflecting a year-to-date adjustment in August 2025 for the amortization of losses arising from updated actuarial valuations.

April to August 2025

The government posted a budgetary deficit of \$11.1 billion for the April to August period of the 2025-26 fiscal year, compared to a deficit of \$9.8 billion reported for the same period of 2024-25. The budgetary deficit before net actuarial losses was \$9.0 billion, compared to a deficit of \$6.7 billion in the April to August period of 2024-25.

Compared to 2024-25:

- Revenues were up \$4.9 billion, or 2.5 per cent, reflecting increases in customs import duties due to the countermeasures imposed in response to U.S. tariffs, and corporate and personal income tax revenues. These increases were offset in part by lower pollution pricing proceeds to be returned to Canadians and lower Goods and Services Tax (GST) revenues.
- Program expenses excluding net actuarial losses were up \$7.4 billion, or 4.1 per cent, reflecting increases in direct program expenses, major transfers to persons, and major transfers to provinces, territories and municipalities, which were partly offset by the wind-down of the Canada Carbon Rebate for individuals.
- Public debt charges decreased by \$0.2 billion, or 0.8 per cent, as the impact of lower interest rates on treasury bills was mostly offset by higher average effective rates on an increased stock of marketable bonds.
- Net actuarial losses decreased by \$1.1 billion, or 34.1 per cent, largely reflecting the amortization of gains arising from actuarial valuations prepared for the *Public Accounts of Canada 2024*, which had not yet begun as of August 2024, and the end of the amortization of certain prior years' net actuarial losses.

Chart 2

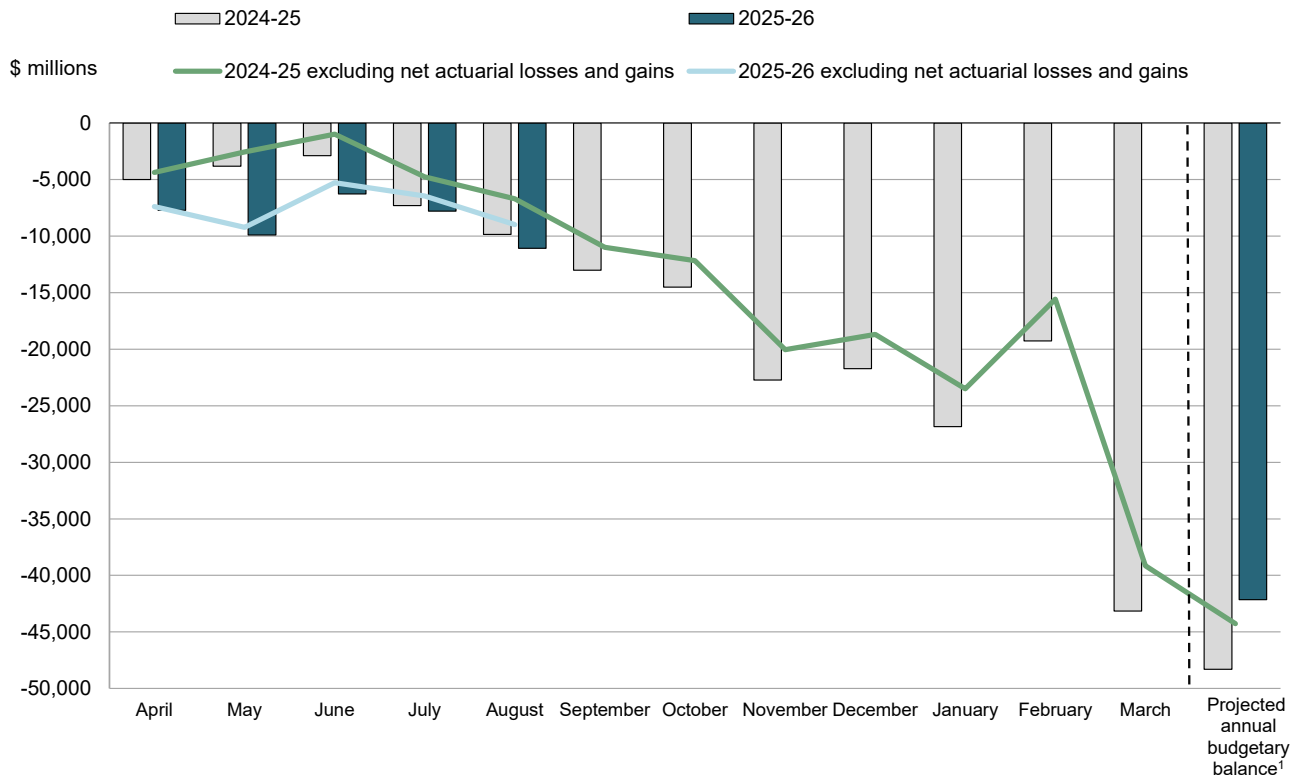
Year-to-Date Budgetary Balance and Budgetary Balance Excluding Net Actuarial Losses and Gains¹ Source: 2024 Fall Economic Statement

Table 1

Summary statement of transactions

\$ millions

	August		April to August	
	2024	2025	2024-25	2025-26
Budgetary transactions				
Revenues	35,439	37,733	196,275	201,176
Expenses				
Program expenses, excluding net actuarial losses	-32,881	-35,870	-179,770	-187,163
Public debt charges	-4,474	-4,408	-23,196	-23,005
Budgetary balance, excluding net actuarial losses	-1,916	-2,545	-6,691	-8,992
Net actuarial losses	-630	-735	-3,150	-2,075
Budgetary balance (deficit/surplus)	-2,546	-3,280	-9,841	-11,067
Non-budgetary transactions	-4,826	-3,123	-44,550	-36,668
Financial source/requirement	-7,372	-6,403	-54,391	-47,735
Net change in financing activities	-13,995	21,800	37,962	89,842
Net change in cash balances	-21,367	15,397	-16,429	42,107
Cash balance at end of period			50,227	88,248

Note: Positive numbers indicate net source of funds. Negative numbers indicate net requirement for funds.

Revenues

Revenues in August 2025 totalled \$37.7 billion, up \$2.3 billion, or 6.5 per cent, from August 2024.

- Tax revenues increased by \$2.7 billion, or 9.5 per cent, compared to the same period in 2024-25, largely reflecting higher corporate and personal income tax revenue, and higher customs import duties.
- Pollution pricing proceeds to be returned to Canadians were down \$0.9 billion, or 100.5 per cent, reflecting the cessation of the application of the federal fuel charge effective April 1, 2025.
- Employment Insurance (EI) premium revenues were up \$0.4 billion, or 16.4 per cent, reflecting a higher number of persons employed.
- Other revenues were up \$0.1 billion, or 2.8 per cent, reflecting a number of factors including higher offshore revenues and higher revenues from enterprise Crown corporations, offset in part by lower interest and penalty revenue.

Revenues for the April to August period of 2025-26 totalled \$201.2 billion, up \$4.9 billion, or 2.5 per cent, from the same period in 2024-25.

- Tax revenues increased by \$8.5 billion, or 5.4 per cent, compared to the same period in 2024-25, reflecting higher corporate and personal income tax revenue and higher customs import duties, partially offset by lower GST revenues. The increase in customs import duties reflects the countermeasures imposed in response to U.S. tariffs.
- Pollution pricing proceeds to be returned to Canadians were down \$5.1 billion, or 103.6 per cent, reflecting the cessation of the application of the federal fuel charge.
- EI premium revenues were up \$0.7 billion, or 4.8 per cent, reflecting a higher number of persons employed.
- Other revenues were up \$0.8 billion, or 4.5 per cent, reflecting a number of factors including higher revenues from enterprise Crown corporations, higher offshore revenues, and higher net foreign exchange revenues, partly offset by lower interest and penalty revenue.

Table 2

Revenues

	August			April to August		
	2024	2025	Change	2024-25	2025-26	Change
	(\$ millions)		(%)	(\$ millions)		(%)
Tax revenues						
Income taxes						
Personal	17,692	18,725	5.8	87,345	89,762	2.8
Corporate	4,201	5,268	25.4	33,305	38,078	14.3
Non-resident	1,010	1,074	6.3	5,933	5,590	-5.8
Total income tax revenues	22,903	25,067	9.4	126,583	133,430	5.4
Other taxes and duties						
Goods and Services Tax	3,846	3,768	-2.0	24,510	22,621	-7.7
Energy taxes	490	497	1.4	2,284	2,283	0.0
Customs import duties	476	1,126	136.6	2,253	5,789	156.9
Other taxes, excise taxes and duties	728	685	-5.9	3,130	3,155	0.8
Total other taxes and duties	5,540	6,076	9.7	32,177	33,848	5.2
Total tax revenues	28,443	31,143	9.5	158,760	167,278	5.4
Pollution pricing proceeds to be returned to Canadians	877	-4	-100.5	4,938	-176	-103.6
Employment Insurance premiums	2,222	2,587	16.4	13,758	14,412	4.8
Other revenues	3,897	4,007	2.8	18,819	19,662	4.5
Total revenues	35,439	37,733	6.5	196,275	201,176	2.5

Note: Totals may not add due to rounding.

Expenses

Program expenses excluding net actuarial losses in August 2025 were \$35.9 billion, up \$3.0 billion, or 9.1 per cent, from August 2024.

- Major transfers to persons, consisting of elderly benefits, EI benefits, COVID-19 income support for workers, and children's benefits, were up \$0.6 billion or 5.1 per cent.
 - Elderly benefits increased by \$0.1 billion, or 1.6 per cent.
 - EI benefits increased by \$0.4 billion, or 17.3 per cent, largely reflecting a higher unemployment rate in August this year.
 - COVID-19 income support for workers increased \$0.1 billion, or 141.7 per cent, reflecting lower redeterminations of benefits, as well as current-year revisions to previous redeterminations.
 - Children's benefits were up \$22 million, or 0.9 per cent, elevated by the indexation of benefits to consumer prices, which annually takes effect July 1st.
- Major transfers to provinces, territories and municipalities were up \$0.5 billion, or 7.2 per cent, largely reflecting legislated growth in the Canada Health Transfer, the Canada Social Transfer, Equalization transfers and transfers to the territories, as well as the return in August 2024 of the unused portion of 2020-21 funding provided to Alberta for the remediation of inactive wells, which was recorded as a reduction in transfers.
- Pollution pricing proceeds returned to Canadians decreased by \$48 million, or 36.9 per cent, primarily due to the phase-out of the Canada Carbon Rebate. Following the removal of the federal fuel charge effective April 1, 2025, rebate payments were being wound down, with only final disbursements occurring in spring and summer 2025.
- Direct program expenses were up \$1.9 billion, or 13.7 per cent. Within direct program expenses:
 - Other transfer payments increased by \$0.9 billion, or 19.9 per cent, reflecting several factors, including year-over-year timing differences, higher offshore revenue transfers, and the rollout of transfers under the Canadian Dental Care Plan.
 - Operating expenses of the government's departments, agencies, and consolidated Crown corporations and other entities increased by \$1.0 billion, or 10.5 per cent, driven by an increase in personnel costs largely arising from a year-to-date adjustment to reflect updated actuarial estimates of pensions and other employee future benefit costs for the 2025-26 fiscal year.

Public debt charges decreased \$0.1 billion, or 1.5 per cent, as the impact of lower interest rates on treasury bills and lower net interest on cross-currency swap transactions were largely offset by an increase in the stock and average effective interest rate of marketable bonds.

Net actuarial losses, which represent the amortization of changes in the value of the government's obligations for pensions and other employee future benefits accrued in previous fiscal years and related assets, were up \$0.1 billion, or 16.7 per cent, reflecting a year-to-date adjustment in August 2025 for the amortization of losses arising from updated actuarial valuations.

For the April to August period of 2025-26, program expenses excluding net actuarial losses were \$187.2 billion, up \$7.4 billion, or 4.1 per cent, from the same period the previous year.

- Major transfers to persons were up \$3.1 billion or 5.8 per cent.
 - Elderly benefits increased by \$0.7 billion, or 2.2 per cent, largely reflecting changes in consumer prices, to which benefits are fully indexed.
 - EI benefits increased by \$1.5 billion, or 16.3 per cent, largely reflecting a higher unemployment rate in this period compared to the previous year.
 - COVID-19 income support for workers increased \$0.3 billion, or 103.6 per cent, reflecting lower redeterminations of benefits, as well as current-year revisions to previous redeterminations.
 - Children's benefits were up \$0.6 billion, or 5.1 per cent, mainly reflecting the indexation of benefits to consumer prices.
- Major transfers to provinces, territories and municipalities were up \$2.8 billion, or 6.4 per cent, largely reflecting legislated growth in the Canada Health Transfer, the Canada Social Transfer, Equalization transfers and transfers to the territories, and higher year-to-date payments for Canada-wide early learning and child care.
- Pollution pricing proceeds returned to Canadians decreased by \$3.1 billion, or 54.9 per cent, largely reflecting the wind-down of the Canada Carbon Rebate following the removal of the federal fuel charge, as well as year-over-year timing differences.
- Direct program expenses were up \$4.6 billion, or 6.0 per cent. Within direct program expenses:
 - Other transfer payments increased by \$0.9 billion, or 2.9 per cent, reflecting in large part the rollout of transfers under the Canadian Dental Care Plan, year-over-year timing differences, and higher offshore revenue transfers. These increases were partly offset by a payment to support the construction and maintenance of Indigenous community infrastructure in the prior year that did not reoccur in the current year.
 - Operating expenses of the government's departments, agencies, and consolidated Crown corporations and other entities increased by \$3.7 billion, or 8.0 per cent, led by higher personnel and defence costs.

Public debt charges decreased by \$0.2 billion, or 0.8 per cent, as the impact of lower interest rates on treasury bills was largely offset by higher average effective rates on an increased stock of marketable bonds.

Net actuarial losses decreased by \$1.1 billion, or 34.1 per cent, largely reflecting the amortization of gains arising from actuarial valuations prepared for the *Public Accounts of Canada 2024*, which had not yet begun as of August 2024, and the end of the amortization of certain prior years' net actuarial losses in 2024-25.

Table 3

Expenses

	August			April to August		
	2024	2025	Change	2024-25	2025-26	Change
	(\$ millions)		(%)	(\$ millions)		(%)
Major transfers to persons						
Elderly benefits	6,638	6,745	1.6	33,073	33,788	2.2
Employment Insurance benefits	2,087	2,449	17.3	9,287	10,800	16.3
COVID-19 income support for workers ¹	-48	20	141.7	-280	10	103.6
Children's benefits	2,368	2,390	0.9	11,547	12,133	5.1
Total major transfers to persons	11,045	11,604	5.1	53,627	56,731	5.8
Major transfers to provinces, territories and municipalities						
Canada Health Transfer	4,340	4,557	5.0	21,700	22,785	5.0
Canada Social Transfer	1,409	1,451	3.0	7,045	7,257	3.0
Equalization	2,104	2,181	3.7	10,522	10,904	3.6
Territorial Formula Financing	351	373	6.3	2,703	2,876	6.4
Canada-wide early learning and child care	14	-	-100.0	1,953	2,416	23.7
Canada Community-Building Fund	73	147	101.4	1,119	1,243	11.1
Health agreements with provinces/territories ²	54	10	-81.5	2,240	2,441	9.0
Other fiscal arrangements ³	-836	-670	19.9	-3,300	-3,124	5.3
Total major transfers to provinces, territories and municipalities	7,509	8,049	7.2	43,982	46,798	6.4
Pollution pricing proceeds returned to Canadians	130	82	-36.9	5,662	2,551	-54.9
Direct program expenses						
Other transfer payments	4,710	5,649	19.9	29,973	30,832	2.9
Operating expenses	9,487	10,486	10.5	46,526	50,251	8.0
Total direct program expenses	14,197	16,135	13.7	76,499	81,083	6.0
Total program expenses, excluding net actuarial losses	32,881	35,870	9.1	179,770	187,163	4.1
Public debt charges	4,474	4,408	-1.5	23,196	23,005	-0.8
Total expenses, excluding net actuarial losses	37,355	40,278	7.8	202,966	210,168	3.5
Net actuarial losses	630	735	16.7	3,150	2,075	-34.1
Total expenses	37,985	41,013	8.0	206,116	212,243	3.0

Note: Totals may not add due to rounding.

¹ COVID-19 income support for workers includes the Canada Emergency Response Benefit, the Canada Recovery Benefit, the Canada Recovery Caregiving Benefit, the Canada Recovery Sickness Benefit, and the Canada Worker Lockdown Benefit.

² Health agreements with provinces and territories include the *Working Together* bilateral agreements and *Aging with Dignity* bilateral agreements. Remaining funding under the *Home and Community Care*, and *Mental Health and Addictions Services* bilateral agreements was integrated into these agreements.

³ Other fiscal arrangements include the Quebec Abatement (Youth Allowances Recovery and Alternative Payments for Standing Programs), which represents a recovery from Quebec of a tax point transfer; statutory subsidies; and other items.

The following table presents total expenses by main object of expense.

Table 4

Total expenses by object of expense

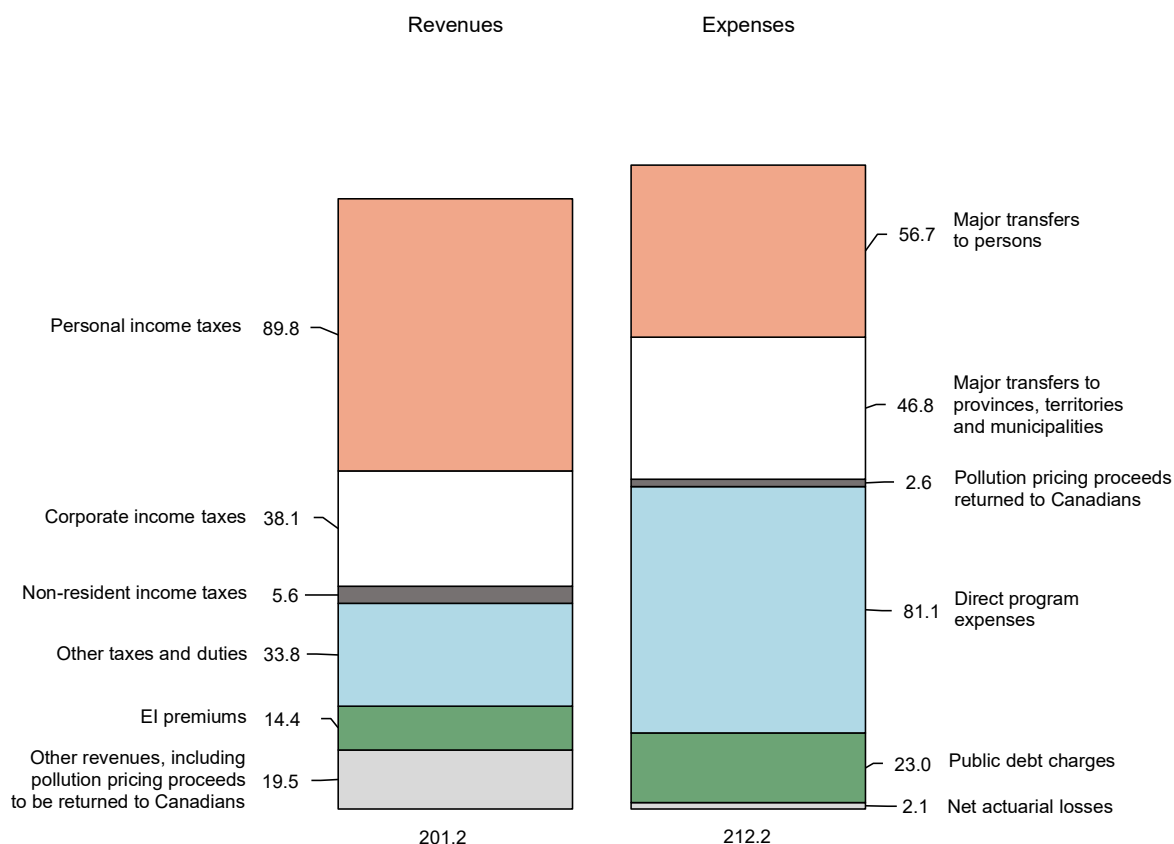
	August			April to August		
	2024	2025	Change	2024-25	2025-26	Change
	(\$ millions)		(%)	(\$ millions)		(%)
Transfer payments	23,394	25,384	8.5	133,244	136,912	2.8
Other expenses						
Personnel, excluding net actuarial losses and gains	5,593	6,945	24.2	28,980	31,249	7.8
Transportation and communications	254	277	9.1	1,134	1,244	9.7
Information	20	22	10.0	121	141	16.5
Professional and special services	1,633	1,597	-2.2	6,460	6,617	2.4
Rentals	312	314	0.6	1,980	2,193	10.8
Repair and maintenance	302	415	37.4	1,207	1,303	8.0
Utilities, materials and supplies	299	226	-24.4	1,253	1,425	13.7
Other subsidies and expenses	620	215	-65.3	3,135	3,559	13.5
Amortization of tangible capital assets	444	464	4.5	2,213	2,457	11.0
Net loss on disposal of assets	10	11	10.0	43	63	46.5
Total other expenses	9,487	10,486	10.5	46,526	50,251	8.0
Total program expenses, excluding net actuarial losses	32,881	35,870	9.1	179,770	187,163	4.1
Public debt charges	4,474	4,408	-1.5	23,196	23,005	-0.8
Total expenses, excluding net actuarial losses	37,355	40,278	7.8	202,966	210,168	3.5
Net actuarial losses	630	735	16.7	3,150	2,075	-34.1
Total expenses	37,985	41,013	8.0	206,116	212,243	3.0

Note: Totals may not add due to rounding.

Chart 3

Revenues and expenses (April to August 2025)

\$ billions



Note: Totals may not add due to rounding.

Financial requirement of \$47.7 billion for April to August 2025

The budgetary balance is presented on an accrual basis of accounting, recording government revenues and expenses when they are earned or incurred, regardless of when the cash is received or paid. In contrast, the financial source/requirement measures the difference between cash coming in to the government and cash going out. This measure is affected not only by changes in the budgetary balance but also by the cash source/requirement resulting from the government's investing activities through its acquisition of capital assets and its loans, financial investments and advances, as well as from other activities, including payment of accounts payable and collection of accounts receivable, foreign exchange activities, and the amortization of its tangible capital assets. The difference between the budgetary balance and financial source/requirement is recorded in non-budgetary transactions.

With a budgetary deficit of \$11.1 billion and a requirement of \$36.7 billion from non-budgetary transactions, there was a financial requirement of \$47.7 billion for the April to August 2025 period, compared to a financial requirement of \$54.4 billion for the same period of the previous year.

Table 5

The budgetary balance and financial source/requirement

\$ millions

	August		April to August	
	2024	2025	2024-25	2025-26
Budgetary balance (deficit/surplus)	-2,546	-3,280	-9,841	-11,067
Non-budgetary transactions				
Accounts payable, accrued liabilities and accounts receivable	-1,231	-674	-22,608	-17,151
Pensions, other future benefits, and other liabilities	729	2,608	3,858	4,849
Foreign exchange accounts and derivatives	729	556	-6,258	2,967
Loans, investments and advances	-4,627	-5,159	-17,245	-23,669
Non-financial assets	-426	-454	-2,297	-3,664
Total non-budgetary transactions	-4,826	-3,123	-44,550	-36,668
Financial source/requirement	-7,372	-6,403	-54,391	-47,735

Note: Totals may not add due to rounding.

Net financing activities up \$89.8 billion

The government financed this financial requirement of \$47.7 billion and increased cash balances by \$42.1 billion by increasing unmatured debt by \$89.8 billion. The increase in unmatured debt was achieved primarily through the issuance of marketable bonds and treasury bills.

Cash balances at the end of August 2025 stood at \$88.2 billion, up \$38.0 billion from their level at the end of August 2024.

Table 6

Financial source/requirement and net financing activities

\$ millions

	August		April to August	
	2024	2025	2024-25	2025-26
Financial source/requirement	-7,372	-6,403	-54,391	-47,735
Net increase (+)/decrease (-) in financing activities				
Unmatured debt transactions				
Canadian currency borrowings				
Marketable bonds	8,020	16,779	15,823	72,103
Treasury bills	-22,174	6,000	17,563	24,530
Total Canadian currency borrowings	-14,154	22,779	33,386	96,633
Foreign currency borrowings	179	-1,035	4,702	-6,936
Total market debt transactions	-13,975	21,744	38,088	89,697
Obligations related to capital leases and other unmaturred debt	-20	56	-126	145
Net change in financing activities	-13,995	21,800	37,962	89,842
Change in cash balance	-21,367	15,397	-16,429	42,107
Cash balance at end of period			50,227	88,248

Note: Totals may not add due to rounding.

Notes

1. *The Fiscal Monitor* is a report on the consolidated financial results of the Government of Canada, prepared monthly by the Department of Finance Canada. The government is committed to releasing *The Fiscal Monitor* on a timely basis in accordance with the International Monetary Fund's Special Data Dissemination Standards Plus, which are designed to promote member countries' data transparency and promote the development of sound statistical systems.
2. The financial results reported in *The Fiscal Monitor* are drawn from the accounts of Canada, which are maintained by the Receiver General and used to prepare the annual *Public Accounts of Canada*.
3. *The Fiscal Monitor* is generally prepared in accordance with the same accounting policies as used to prepare the government's annual consolidated financial statements, which are summarized in Section 2 of Volume I of the *Public Accounts of Canada*, available through the Public Services and Procurement Canada website.
4. The financial results presented in *The Fiscal Monitor* have not been audited or reviewed by an external auditor.
5. There can be substantial volatility in monthly results due to the timing of revenue receipts and expense recognition. For instance, a large share of government spending is typically reported in the March *Fiscal Monitor*.
6. The April to March results reported in *The Fiscal Monitor* are not the final results for the fiscal year as a whole. The final results are published in the annual *Public Accounts of Canada* and incorporate post-March end-of-year adjustments made once further information becomes available, including the accrual of tax revenues reflecting assessments of tax returns and valuation adjustments for assets and liabilities. Post-March adjustments may also include the accrual of measures announced in the budget that are recorded upon receipt of Royal Assent of enabling legislation.
7. Table 7, Condensed Statement of Assets and Liabilities, is included in the monthly *Fiscal Monitor* following the finalization and publication of the government's financial results for the preceding fiscal year, typically in the fall.

Note: Unless stated otherwise, changes in financial results are presented on a year-over-year basis.

For inquiries about this publication, contact Gina Clark at gina.clark@fin.gc.ca.

October 2025